



Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, AUGUST 24, 2000
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

CALIFORNIA BRIDGE-BUILDING COMPANY AND ITS SWISS EXECUTIVE CHARGED WITH PRICE FIXING ON CALIFORNIA BRIDGE PROJECTS

WASHINGTON, D.C. -- Avar Construction Systems Inc. and its Swiss executive were charged today with conspiring to fix prices and allocate market shares on California post-tensioning bridge projects, the Department of Justice announced.

In a one-count criminal case, filed in U.S. District Court in San Jose, California, Avar, of Campbell, California, and Project Manager, Rene Friedrich, were charged with violating Section One of the Sherman Act from December 1994 until August 1996.

The Department charged that Avar Construction, Friedrich and co-conspirators participated in and maintained the conspiracy by agreeing to allocate market shares, issuing bids and price quotations in accordance with the agreements they had reached, and exchanging information on sales of post-tensioning bridge projects for the purpose of monitoring and enforcing adherence to the agreed-upon market shares.

Post-tensioning is a process of specialty construction designed to add strength to architectural and structural concrete. The process is often used in the construction of highway overpass bridges.

“Price fixing and market allocation agreements on public works projects deprive the American taxpayers of receiving the most for their tax dollars,” said Joel I. Klein, Assistant

Attorney General in charge of the Department's Antitrust Division. "The Division will prosecute vigorously such antitrust offenses."

Including today's charges, the Department has brought cases against four others – two companies and two individuals – as a result of its ongoing investigation of the post-tensioning bridge construction industry.

In January 2000, Dywidag-Systems International USA Inc. and its president, Adam A. Allan, pleaded guilty to fixing prices and allocating market shares for post-tensioning bridge construction projects in California. As a result, Dywidag-Systems was fined \$757,000, and Allan was fined \$30,000.

Avar Construction and Friedrich are charged with violating Section One of the Sherman Act, which carries a maximum fine of \$10 million for corporations, and a maximum penalty of three years imprisonment and a \$350,000 fine for individuals. The maximum fine for both corporations and individuals may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

The ongoing investigation of the specialty construction industry is being conducted by the Antitrust Division's San Francisco Office, the Federal Bureau of Investigation, and the Department of Transportation, Office of Inspector General in San Francisco.

###

00-500